

2008 IA 1040C

Composite Individual Income Tax Return

Partnerships, Subchapter S Corporations, Trusts and Limited Liability Companies for filing on behalf of Nonresident Partners, Shareholders, Beneficiaries or Members

For Calendar Year 2008

or fiscal year beginning ____/____, 2008, and ending ____/____, 20____

PLEASE NOTE: A copy of federal Schedule K-1 for ALL Iowa nonresidents must be attached to this return, regardless of whether or not they are reporting income or remitting tax with this form.

MAIL TO:
COMPOSITE RETURN PROCESSING
DEPARTMENT OF REVENUE
PO BOX 10469
DES MOINES IA 50306-0469

STEP 1 Complete Company Name

Taxpayer Identification Number

Name and Address

Current Mailing Address (number, street, apartment number, suite)

Post Office Box

City, State and ZIP Code

Name of Contact Person

Daytime Telephone Number

Check One Only

This return is for:

☐ Partners

☐ Shareholders

☐ Beneficiaries

☐ Members

STEP 2

Figure Your Exemption Credits

Enter the number of individuals whose Iowa-source income exceeds the minimum amount required to be included in this return. See instructions. \blacktriangle ____ X \$40 = ____

STEP 3 Composite Income

1. Enter the total Iowa-source income of all individuals whose Iowa-source income exceeds the minimum amount required to be included in this return. 1. \blacktriangle ____ .00

STEP 4

Figure Your Deductions

2. Deduction in lieu of federal tax deduction. See instructions. 2. \blacktriangle ____ .00

3. Standard deduction. See instructions. 3. \blacktriangle ____ .00

4. Total deductions. ADD lines 2 and 3. 4. ____ .00

5. Composite taxable income. SUBTRACT line 4 from line 1. 5. ____ .00

STEP 5

Figure Your Tax

6. Computed tax. Apply line 5 to rate schedule on back. 6. \blacktriangle ____ .00

7. Minimum tax. See instructions. 7. \blacktriangle ____ .00

8. Total tax. ADD lines 6 and 7. 8. ____ .00

STEP 6

Figure Your Credits

9. Personal exemption credits - Nonrefundable. See Step 2 above. 9. \blacktriangle ____ .00

10. Other nonrefundable credits. Attach IA 148 Tax Credits Schedule. 10. \blacktriangle ____ .00

11. Total nonrefundable credits. ADD lines 9 and 10. 11. ____ .00

12. Balance. SUBTRACT line 11 from line 8. If less than zero, enter zero. 12. \blacktriangle ____ .00

13. Estimate payments for 2008 and/or prior-year credit carryover 13. \blacktriangle ____ .00

14. Other refundable credits. Attach IA 148 Tax Credits Schedule. 14. \blacktriangle ____ .00

15. Total credits. ADD lines 13 and 14. 15. ____ .00

STEP 7

Figure Your Refund or the Amount You Owe

16. If line 15 is more than line 12, SUBTRACT line 12 from line 15. This is the amount you OVERPAID. 16. \blacktriangle ____ .00

17. Amount of line 16 to be REFUNDED to you 17. \blacktriangle ____ .00

18. Amount of line 16 to be applied to your 2009 estimate tax 18. \blacktriangle ____ .00

19. If line 15 is less than line 12, SUBTRACT line 15 from line 12. This is the AMOUNT OF TAX YOU OWE. 19. \blacktriangle ____ .00

20. Penalty. See instructions. 20. \blacktriangle ____ .00

21. Interest. See instructions. 21. \blacktriangle ____ .00

22. TOTAL AMOUNT DUE. ADD lines 19, 20 and 21, and enter here. 22. \blacktriangle ____ .00

Make your check payable to TREASURER, STATE OF IOWA

SIGN AND DATE YOUR RETURN

FOR A CALENDAR YEAR FILER, THIS RETURN IS DUE BY April 30, 2009

I (We), the undersigned, declare under penalty of perjury that I (we) have examined this return and attachments, and, to the best of my (our) knowledge and belief, it is a true, correct, and complete return. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Signature of Officer: _____ Date _____

Title: _____

Daytime Telephone Number: _____

Preparer's Signature: _____ Date _____

Preparer's ID No.: _____

Firm Name: _____

Preparer's Address: _____

INSTRUCTIONS FOR COMPOSITE IOWA INDIVIDUAL INCOME TAX RETURN

ELECTION OF COMPOSITE FILING

Composite returns for the 2008 calendar year must be filed by April 30, 2009. An automatic six-month extension for filing is available **only** if 90% of the tax due is paid by the original due date. The Department must be notified in writing before a taxpayer chooses to discontinue filing composite returns.

FILING REQUIREMENTS

Nonresident partners, shareholders, members, or beneficiaries shall not be included in a composite return if the nonresident does not have more income from Iowa sources than the amount of one standard deduction for a single taxpayer plus an amount of income necessary to create a tax liability at the effective tax rate on the composite return sufficient to offset one personal exemption. See minimum filing requirements below under line 6.

In addition, the above individuals should not be included if they have incomes from Iowa sources other than from the partnership or other entity; these individuals are required to file Iowa individual income tax returns.

LINE INSTRUCTIONS

- Each nonresident partner's, shareholder's, or member's Iowa K-1 will show that partner's, shareholder's, or member's income and nonresident modifications that are apportioned to Iowa. The apportioned amount of each item of Iowa K-1 income that is a part of federal adjusted gross income and the apportioned modifications of all nonresident partners, all nonresident shareholders, and/or all members included in this composite return are to be totaled and entered on this line. Nonresidents with other Iowa source incomes are not to be included on the IA 1040 C.

Beneficiaries of a trust do not have an Iowa K-1, only a federal K-1. Consequently, when nonresident beneficiaries are included in the filing of a composite return with Iowa, they must total all income and/or capital gains from real property or tangible personal property located in Iowa and any other business income attributable to Iowa and enter on this line.

- A deduction is allowed in lieu of the deduction for federal tax paid and is based upon the following schedule:

AMOUNT SHOWN ON LINE 1 DEDUCTION

0 -	\$49,999 =	No deduction
\$50,000 -	\$99,999 =	5% of line 1
\$100,000 -	\$199,999 =	10% of line 1
Over	\$200,000 =	15% of line 1

- For 2008 the standard deduction allowed is the lesser of \$1,750 or the income attributable to Iowa of the partner, shareholder, or member filing via this composite return.
- Use the tax rate schedule in the next column to figure your tax on composite Iowa taxable income. Also listed are the minimum requirements for each tax rate.

Minimum	TAX RATE SCHEDULE					
	But			Of Excess		
Income	Over	Not Over		Tax Rate		Over
	\$ 0	1,379	0	+ 0.36%	x	0
Filing	1,379	2,758	4.96	+ 0.72%	x	1,379
Requirement	2,758	5,516	14.89	+ 2.43%	x	2,758
\$2,639	5,516	12,411	81.91	+ 4.50%	x	5,516
\$2,404	12,411	20,685	392.19	+ 6.12%	x	12,411
\$2,367	20,685	27,580	898.56	+ 6.48%	x	20,685
\$2,338	27,580	41,370	1,345.36	+ 6.80%	x	27,580
\$2,255	41,370	62,055	2,283.08	+ 7.92%	x	41,370
\$2,195	62,055	over	3,921.33	+ 8.98%	x	62,055

- Partners, shareholders, or members reporting income on the composite return may also be subject to Iowa minimum tax. The Iowa alternative minimum tax is imposed on most of the same tax preference and adjustment items treated as exclusions as for federal alternative minimum tax purposes. Please see form IA 6251 to determine if any Iowa minimum tax is due, and attach completed form if necessary.
- Personal exemption credits for 2008 for each partner, shareholder or member is \$40.
- Enter the total of the nonrefundable credits from the IA 148 Tax Credits Schedule. The IA 148 Tax Credits Schedule must be attached.
- Enter the total amount of 2008 estimated tax payments along with any of the prior year's refund which was applied to your estimated payments for 2008.
Although estimated payments are not required, 2009 estimated payments may be made on form IA 1040ES using the partnership's, limited liability company's, S corporation's, or trust's identification number.
- Enter the total of the refundable credits from the IA 148 Tax Credits Schedule. Attach the IA 148 Tax Credits Schedule.
- If you do not mail your return by the due date and at least 90% of the correct tax is not paid, you owe an additional 10% of the tax due. If you file your return on time but do not pay at least 90% of the correct tax due, you owe an additional 5% of the tax due.
- Interest is added at a rate of 0.7% per month beginning on the due date of the return and accrues each month until payment is made.

NOTE: Individuals who are eligible for Cow-Calf Refunds from form IA 132 must file the IA1040 to claim these refunds.

PREPARER'S ID NUMBER

Enter preparer's SSN, FEIN, or PTIN.